



# Briefing to the incoming Minister of Transport

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# Foreword

Waka Kotahi NZ Transport Agency (the Agency) is the government's land transport delivery entity.

The purpose of the Agency, as outlined in our strategy (Te kāpehu) is 'moving people, places and products for a thriving Aotearoa New Zealand', highlighting the criticality of transport to everything we do as a country. Our role is to ensure everything in the system is integrated – people, infrastructure, services and vehicles. When everything works together, people and freight can travel easily, safely and efficiently.

A well-functioning transport system contributes to the economic prosperity of cities, towns, local neighbourhoods, and rural communities. It shapes land use, urban form, and street-level interactions. Transport connects our country economically and culturally with the rest of the world. The Agency is responsible for the 11,000km (24,297 lane kms) of the state highway network over which 72% of freight and 50% of personal travel occurs. Local government is responsible for the balance of the 99,000 km network.

The Agency operates across all aspects of the transport system, supporting Te Manatū Waka Ministry of Transport (the Ministry) and local government with strategy and policy, planning and investing in the transport system (including sourcing funding and investment), delivering around 70% of the transport programme with our supply chain and managing and operating large parts of the system.

We are laying the foundations for an efficient, resilient, accessible and safe transport network for Aotearoa New Zealand. However, a sustainable funding solution is needed if we are to achieve these long-term system outcomes. Alongside inflationary pressure, our funding system is strained due to:

- demands such as new roads, the age of the network and the volume of heavier and longer trucks outpacing the required investment in maintaining and renewing the network
- increasing frequency and severity of weather events exacerbating the maintenance challenge while requiring greater investment to ensure better resilience and adaptation
- expanding number of activity classes (across all land transport modes including coastal shipping) and investment classes needing to be covered by the National Land Transport Fund (NLTF)
- growing and changing urban use and congestion due to changing work patterns and consumer demands requiring a step change from past levels of investment, including investing in rail and mass transit
- meeting emission reduction commitments and the decarbonisation of the transport fleet due to electric vehicles not currently being charged fuel excise duty (FED) or road user charges (RUC).

In recognition that new and different funding sources are needed to support the level of change underway, the Agency is working with the Ministry and the Treasury to consider alternative ways to price the transport system.

There are benefits in accelerating the use of digital tools to enable a more efficient transport system. Some of these benefits can be applied to the funding system. Examples include digitising the RUC system and a more effective platform for tolling and congestion charging.

While these digital tools will strengthen the effectiveness of the Agency's regulatory responsibilities, some aspects of the regulatory framework are not fit for purpose increasing costs and inefficiencies for industry and providing a barrier to achieving the regulatory results we are seeking. With our regulatory function having transformed over recent years with the role of Director of Land Transport, established by legislation, we will continue to improve the regulatory framework and to use our role as regulator of the land transport system to achieve broader government outcomes including safety, emission reduction and a fairer and more equitable transport system.

In this challenging and evolving operating environment, we need to establish a deliverable work programme that reflects the funding and capacity constraints. To do this, we will continue to deliver our core roles well and ensure we are investing in the right things to deliver value for money, address the current needs of the land transport system and align with its future needs.

# Who we are

## The Agency is a Crown entity

The Board, appointed by you, is the governing body of the Agency with authority to exercise its powers and perform its functions. All decisions relating to Agency operations must be made by or under the Board's authority. Under the Land Transport Management Act 2003, our primary objective is to contribute to an effective, efficient, and safe land transport system in the public interest.

The responsibilities of the Agency are derived from a suite of legislation, regulations and land transport rules.

The primary legislative responsibilities of the Agency are derived from six acts of Parliament.

- The Land Transport Management Act 2003
- Land Transport Act 1998
- Railways Act 2005
- Government Rooding Powers Act 1989
- Road User Charges Act 2012
- Crown Entities Act 2004

The substantive legislation that governs the responsibilities of the Agency is the Land Transport Management Act 2003. The core responsibilities included in this act include:

- Contribute to an effective, efficient and safe land transport system in the public interest.
- Manage the state highway system, including planning, funding, design, supervision, construction and maintenance operations.
- Manage funding of the land transport system, including auditing the performance of organisations receiving land transport funding.
- Manage regulatory requirements for transport on land.

Land transport rules are a form of delegated legislation similar to regulations. We produce rules for the Minister of Transport under an agreement with the Chief Executive of the Ministry. Land transport rules have a significant influence on people's access to and use of the land transport network.

The relationship between the Agency and the Ministry is important for both organisations. The Ministry is the Crown monitor of the Agency, but the Agency has a permanent legislated authority to make choices and spend money under the Land Transport Management Act.

The Ministry is your primary advisor on all matters transport. As the operational and regulatory body for land transport, we work closely with the Ministry to provide it relevant information to inform that advice.

## Organisational structure and areas of responsibility

### Chief Executive

Regulatory	Transport Services	System Leadership	Customer and Services
<p><b>Areas of responsibility:</b></p> <ul style="list-style-type: none"> <li>• Director Land Transport statutory responsibilities</li> <li>• Regulatory operational policy, processes, procedures and standards setting</li> <li>• Regulatory risk and intelligence</li> <li>• Managing service performance monitoring and compliance for regulated parties in the land transport system</li> <li>• Road user charges regulation</li> </ul>	<p><b>Areas of responsibility:</b></p> <ul style="list-style-type: none"> <li>• Design and delivery of the transport network</li> <li>• Operation of the land transport network</li> <li>• Maintenance of the land transport network</li> <li>• Operational standards and guidelines for the Agency and the sector</li> <li>• Road controlling authority for the state highway network</li> </ul>	<p><b>Areas of responsibility:</b></p> <ul style="list-style-type: none"> <li>• Setting and maintaining strategic direction</li> <li>• Strategic Crown Māori partnerships</li> <li>• Policy and systems planning</li> <li>• Developing medium and long-term plans</li> <li>• System-wide investment planning</li> </ul>	<p><b>Areas of responsibility:</b></p> <ul style="list-style-type: none"> <li>• Manage and deliver contact centre services</li> <li>• Manage our network of agents who provide services on our behalf</li> <li>• Manage licensing approvals and other regulatory customer transactions</li> <li>• Manage RUC debt collection, refunds and rebates</li> </ul>
Digital	People and Safety	Engagement and Partnerships	Commercial and Corporate
<p><b>Areas of responsibility:</b></p> <ul style="list-style-type: none"> <li>• Digital operations, performance and delivery</li> <li>• Digital security services</li> <li>• Enterprise architecture</li> <li>• Commercial and vendor management</li> </ul>	<p><b>Areas of responsibility:</b></p> <ul style="list-style-type: none"> <li>• Health, safety and wellbeing</li> <li>• Payroll and employment relations</li> <li>• Learning and development</li> <li>• Leadership and capability</li> </ul>	<p><b>Areas of responsibility:</b></p> <ul style="list-style-type: none"> <li>• Education and Marketing</li> <li>• Regional relationships</li> <li>• Government relationships</li> <li>• Communications, engagement and media</li> </ul>	<p><b>Areas of responsibility:</b></p> <ul style="list-style-type: none"> <li>• Business and budget planning</li> <li>• Financial, investment and assurance services</li> <li>• Legal, governance, risk and assurance</li> <li>• Programme management and corporate property</li> </ul>

# Strategic direction

The Agency's vision is a land transport system that connects people, products, and places for a thriving Aotearoa New Zealand.

The Agency's strategic direction is informed by the wider government direction for the transport system. This includes the Transport Outcomes Framework led by the Ministry which sets the purpose of the transport system as improving people's wellbeing and the liveability of places.

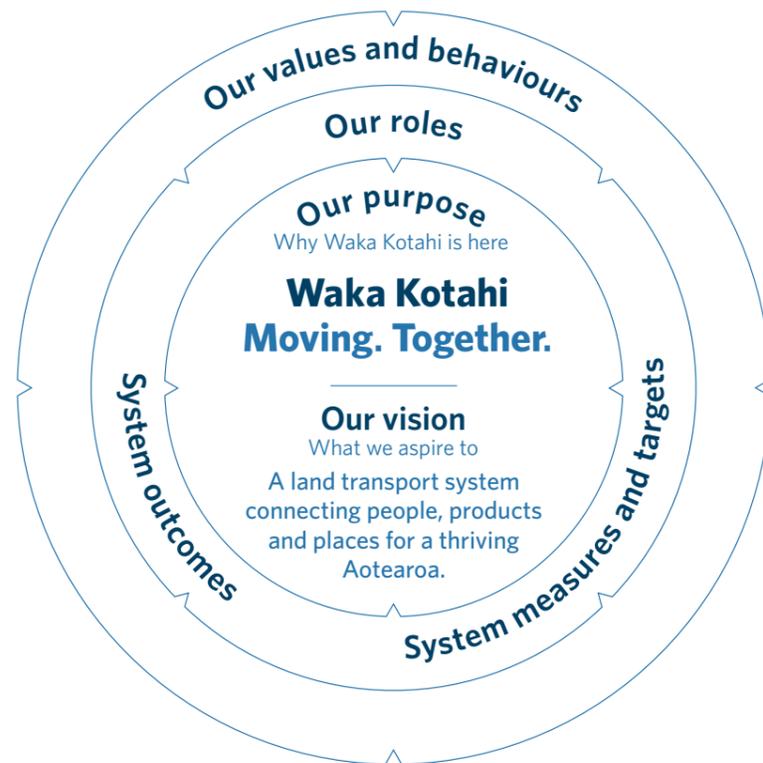
## Measuring our performance

Our system measures and targets help translate our strategic direction into action and track our progress toward achieving the four system outcomes. The framework aligns with the Transport Outcomes Framework, the Government Policy Statement on land transport 2021 and programme-specific frameworks.

It includes:

- System outcome measures which have quantitative or directional targets reflecting the long timeframe and system-wide effort required to see change.
- Results measures which tell us if the right external and internal changes are being made to achieve the system outcomes.
- Delivery and annual measures which tell us whether we are delivering the things that support the changes we want to make.

The Agency's performance framework includes our system outcomes, external and internal results, and delivery activities and outputs. The relationships between these elements are complex and multifaceted. Many results and outcomes are the responsibility of the wider transport sector or government, so are not ours alone to influence.



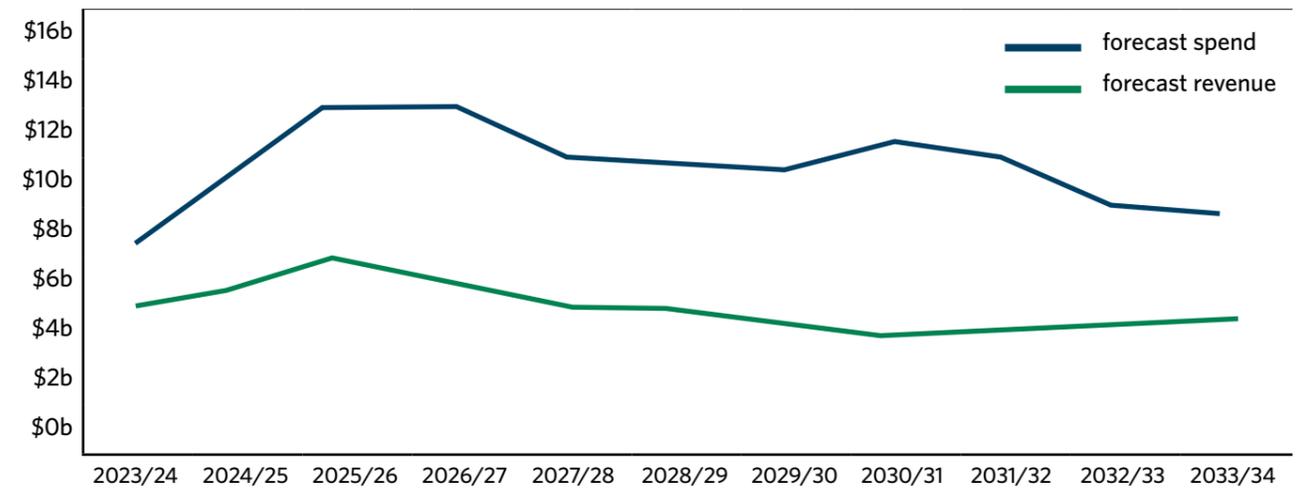
# Funding

## Current situation

Aotearoa New Zealand has ambitious goals for its transport networks. These ambitions are key to unlocking economic potential, building thriving communities, addressing equity and meeting our climate commitments. The current funding situation sees much of the planned future investment currently under or unfunded.

How the transport system is funded in a way that delivers what the country needs, is an imminent challenge that needs to be addressed both to meet the existing demand of maintaining our networks and services while also meeting future needs. The NLTF is currently not sufficient to fund the level of investment needed due to the gap between revenue collected and investment. This has resulted in more Crown funding and loans. The figure below shows the forecast expenditure and revenue (Crown and NLTF) over the next 10 years.

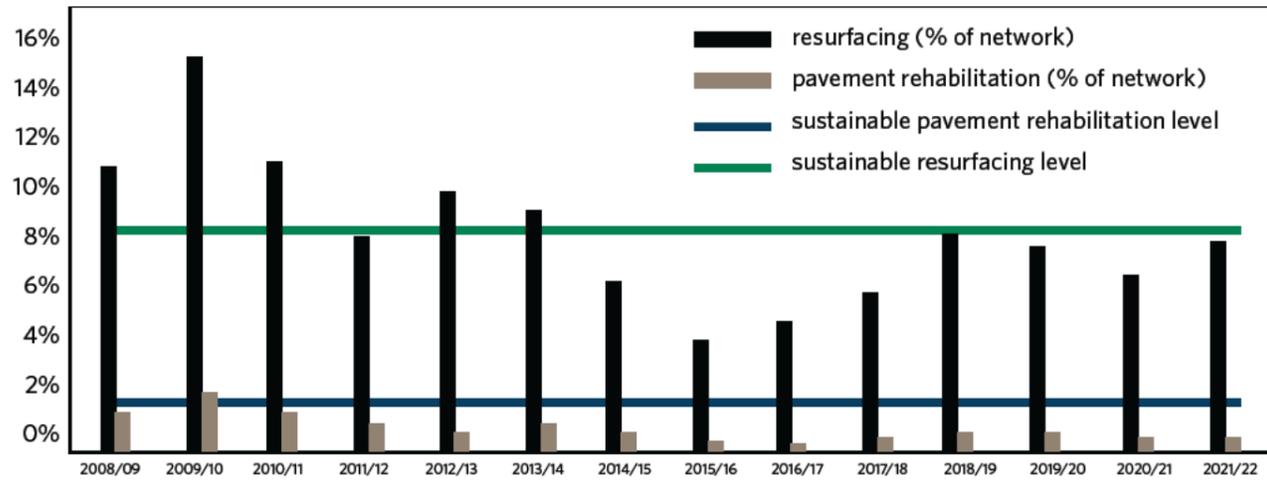
Total forecast expenditure and revenue (excluding local contribution)



The existing networks and services have grown and are aging, with many of the existing land transport networks and assets reaching replacement age. The condition of the transport network has also been affected by increasing weather events in recent years which we expect will continue to escalate in frequency and impact. This, coupled with an increasing demand on the network due to growth in population and volume of freight on the network means that investment in a sustainable transport network is increasingly important.

The following figure shows the level of road resurfacing and rehabilitation required to adequately maintain the state highway network, and the level that has been achieved year on year. While recent data for resurfacing works approaches this minimum requirement, the Agency's standard for pavement rehabilitation has not been met.

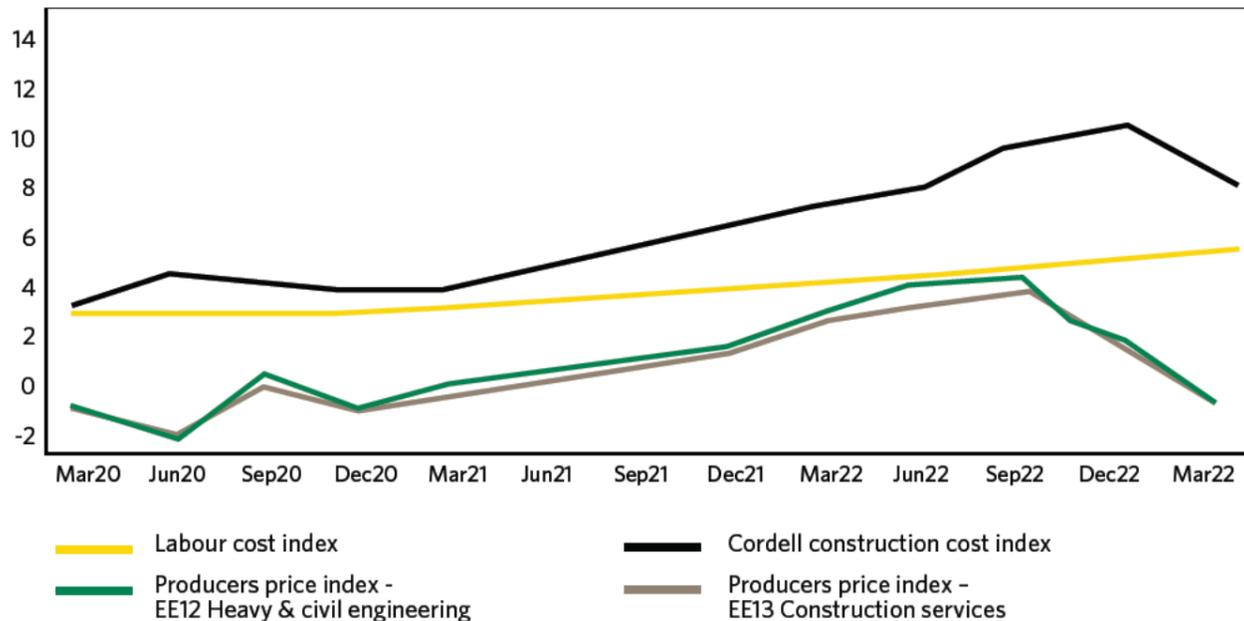
## Road resurfacing and pavement rehabilitation



The Agency's roles and responsibilities as a Crown agency are expanding in a time of rapidly increasing costs and ongoing supply chain issues. We face these pressures alongside lower revenue in the immediate term, due to ongoing COVID-19 impacts and accelerated decarbonisation of the transport system, and no certainty over future revenue growth. With this context, ensuring sustainable funding is an overriding and imminent concern. The figure below from an independent KPMG evaluation shows sustained sector cost rises in both labour (LCI) and construction costs (CCCI).

### Trends in construction sector cost indices

Annual percentage change from same quarter in prior year in key cost inflators (%)



Funding constraints have made it very challenging to effectively manage our investments and assets, including the state highway network, and support our local government partners. The Agency has focused on critical road maintenance, response to emergency events and completion of in-flight construction. The effects of inflation, emergency events and revenue shortfalls mean that, whilst the Agency has spent at or over our activity class ranges, the outputs from 2021-24 National Land Transport Programme (NLTP) will be well below those originally planned, with many projects delayed or deferred. This is an industry wide issue. An independent evaluation by KPMG found that many of our local government partners have delayed their programmes, often due to uncertainty and overall funding constraints (local road maintenance programme shows 79% delivery and 67% delivery for local road improvements, while the Agency delivered 93% and 70% respectively. These delays and deferrals will add further pressure to upcoming NLTP periods and decreases the level of investment available for other initiatives.

The Agency does not insure its operational assets. It holds an allowance for emergency works for local roads and state highways (c.a. \$75m per annum each). It also holds a shock facility of \$250m. Works under construction are insured, although certain insurance lines are becoming very difficult to obtain or very difficult to obtain economically. Any significant event (such as the North Island weather events) requires Crown support. Additional Crown funding has been provided to work on resilience improvements.

## Addressing the challenge

To address the funding situation, the Agency sees a need to:

- address the recommendations that have been highlighted in the Land Transport Revenue Review (the Ministry will brief you on this further)
- confirm a plan to resolve NLTF funding constraints (with support from the Agency) by 2027
- support and accelerate implementation of policy and operational aspects to enable implementation of an enhanced pricing and funding regime by 2027 including congestion charging, electronic RUC system and in-vehicle technology solutions
- provide assurances that the Crown will underwrite debt liabilities of the NLTP if additional and substitute revenue sources are not secured in this period.

The Agency can provide additional resources to support the prioritisation of the Land Transport Revenue Review through the Ministry and the Treasury and will assist in any way we can to support this work progressing as soon as possible.

# Background to the funding structure

## The National Land Transport Programme (NLTP) and the National Land Transport Fund (NLTF)

The NLTP is a three-year programme of prioritised transport activities with a 10-year forecast of revenue and expenditure. It is prepared by the Agency to give effect to the Government Policy Statement on land transport (GPS) and is a partnership between the Agency, which invests NLTF funding on behalf of the Crown, and local government, which invests local funding on behalf of ratepayers.

The GPS sets out the government's strategic direction for the land transport system for the next 10 years. It sets out the results that the Crown wishes to achieve from investment of the NLTF and the Crown's land transport strategy including how funding should be invested. This includes setting: activity classes (eg state highway maintenance and public transport infrastructure); funding ranges for each activity class; likely revenue for the NLTF; and expenditure targets for the NLTP for each year.

After an upper and lower range of spending for each activity class is set in the GPS, the Agency decides how the NLTF is spent within each GPS activity class. The Agency is legally required to limit its spending to the levels of available revenue from the NLTF.

The Agency works with a range of partners across central and local government to plan, invest in, build, manage and operate the land transport network within the priorities and outcomes set in the GPS.

The Agency leads on the state highway programme, nationally delivered programmes (such as speed camera monitoring) and delivers other investments on behalf of the Crown, such as the New Zealand Upgrade Programme (NZUP) and several initiatives funded out of the Climate Emergency Response Fund (CERF).

Every three years, the Agency is required under the Land Transport Management Act 2003 (LTMA) to adopt the NLTP by 1 September of the first year of the NLTP under development. In most cases we aim to adopt the NLTP by 30 June of the year immediately preceding the start of the NLTP.

Where development of the NLTP is delayed, for example due to late release of the GPS, the Agency has until 31 August of the first year of the NLTP to adopt the NLTP and may, as a consequence, adjust the deadlines for RLTPs.

## 2021-24 revenue and investment flows

### Funding will come from...

#### National Land Transport Fund

Road user charges (net)<sup>1</sup> **\$6 billion**

End customers of freight carriers in the prices paid for goods and services. Light diesel vehicle owner payments

Fuel excise duty (net)<sup>1</sup> **\$6.7 billion**

Excise collected at source (fuel shipments & refinery) and recharged in petrol, LPG and CNG prices

Motor vehicle registry fees (net)<sup>1</sup> **\$690 million**

Public road users through registration & licence fees to access the roading network

Use of opening balance **\$260 million**

Use of surplus from previous NLTP

Rail Network Investment Programme **\$830 million**

Crown top up

NLTF debt financing **\$2 billion**

Crown loan

#### Other funding

Local share of NLTP activities **\$4.8 billion**

Local residents through the rates and charges paid for local authority provision of transport infrastructure and services

New Zealand Upgrade Programme (NZUP) **\$2.5 billion**

- additional Crown funding

SuperGold card **\$90 million**

Taxpayers through the subsidies paid to fund SuperGold card for off peak public transport travel via Ministry of Transport

Crown Infrastructure Package/economic stimulus package **\$70 million**

- additional Crown funding

Provincial Growth Fund **\$100 million**

- additional Crown funding

NZUP Regional Investment Opportunities **\$50 million**

- additional Crown funding

Housing Infrastructure Fund loan **\$300 million**

Crown loan to fund acceleration of roading projects to support of high growth urban development in Auckland, Hamilton, Tauranga and Queenstown

<sup>1</sup> Net of refunds and administrative costs

<sup>2</sup> Covers costs for bad debts, search & rescue, recreational boating safety awareness and revenue system management

TOTAL FUNDS  
**\$24.3 billion**

### and will be invested in...

Road network operations and maintenance

**\$7.2 billion**

Local, regional and state highway road improvements

**\$6.6 billion**

Road safety improvements

**\$3 billion**

Public transport services

**\$2.6 billion**

Public transport infrastructure

**\$2.3 billion**

Rail improvements

**\$1.3 billion**

Walking and cycling improvements

**\$1 billion**

Miscellaneous<sup>2</sup>  
(includes coastal shipping and long-term planning)

**\$450 million**

TOTAL FUNDS  
**\$24.3 billion**

## The 2021–24 NLTP

Revised investment targets for the 2021-24 NLTP period (approved in September 2022) show increased spend in state highway improvements and the road maintenance activity classes, offset by lower spend in public transport services, local road improvements and Road to Zero. Increased spend in maintenance includes significant spend on North Island weather events (NIWE) backed by additional Crown funding. Even with this adjustment, it is likely that state highway maintenance activity class spend will exceed the GPS range due to the weather events.

## Crown funding into NLTF for NLTP activities

The Crown may direct Crown funding into the NLTF (often referred to as Crown ‘top ups’ to the NLTF). Funding that is directed into the NLTF is subject to the LTMA 2003 and the Agency has statutory independence over deciding which particular activities to invest it in.

Using the NLTF as the funding mechanism for additional transport initiatives means that work is able to commence faster. This is achieved by taking advantage of the existing governance, assurance and decision making processes that are required for the NLTF rather than the establishment of bespoke requirements for individual projects.

## Alternative funding and financing

There are several additional mechanisms to fund transport investment including value capture, congestion charging, tolling and the use of Public Private Partnerships. Each has their own purpose, benefits, constraints and operational complexity. The Ministry will brief you further on these mechanisms.

# Agency focus

The Agency is facing several major challenges over the medium to longer term. The role of the Agency is expanding through key reforms and new responsibilities. These need to be managed alongside the delivery of the core functions of the Agency.

To ensure the Agency can meet these responsibilities, we have identified three focus areas that will have the most impact on successful delivery.

## Infrastructure delivery excellence

- Accelerate delivery through a confirmed and stable pipeline of work, supported by projects being set up for success.

## Accelerating digital

- Using digital tools to make the transport system more efficient and effective.

## Regulatory effectiveness

- Increase effectiveness of regulatory activity and ensure legislative settings can harness the digital opportunities.

# Infrastructure delivery excellence

The Agency's core function is to provide New Zealanders with a safe and reliable transport network. To do this, we need to prioritise the maintenance and delivery of transport infrastructure in an efficient way that delivers value for money. A number of delivery functions go in to making this possible including:

- Partnering with central and local government managing delivery of hundreds of projects ranging in size from large scale infrastructure projects like Waitemata Harbour Connections and Let's Get Wellington Moving, to important local improvements such as roundabouts, cycleways and road safety upgrades.
- Maintaining and renewing the existing state highway and associated assets (cycleways and busways on the state highway network). The work programme includes responding to emergency events, resurfacing and renewing over 2000 km of network each year and replacing critical assets including bridges, retaining walls and culverts.
- Supporting local government with managing their operational delivery programmes including delivery of critical aspects like public transport provision, safety changes and climate response plans.

## Maintenance and renewals

The state highway network is experiencing an unprecedented increase in travel demand, especially from heavy vehicles. The network has grown in length and complexity, and is facing increasingly severe weather events due to climate change. At the same time, input costs for labour and material have substantially increased, while industry capability and capacity are constrained.

In 2022, the state highway network carried 50% of Aotearoa New Zealand's general vehicle traffic and 72% of road freight. In the past ten years, the state highway road length has expanded from 22,138 lane kms to 24,297 lane kms. This approximate 10% increase is equivalent to driving the entire length of State Highway 1 from Northland to Southland.

The Agency is strengthening its asset management, planning and resilience programmes, developing more rigorous investment scenarios and proposals, and has identified that increased investment in capital works is needed to address resilience challenges. We are working with the Ministry to explore innovative investment and financing solutions.

Our maintenance and renewals activities are delivered in line with design standards and guidelines that are updated regularly to reflect changes in demand, technologies, and external drivers such as changing climate patterns. For this reason, they are not just about renewing assets 'like for like' - replacement bridges and culverts are built to withstand modern climate forecasts. In this way, the Agency aims to 'build back better' as a standard component of our asset renewals.

## An infrastructure pipeline

The Agency and local government largely outsource the technical and delivery expertise to professional services and the construction sector for transport projects. Successful infrastructure delivery can be achieved through a strategic and coordinated approach to project selection, sequencing and delivery. Uncertainty over these factors can limit the sector's ability to grow, compete, innovate and resource appropriately, which can lead to lost efficiency and higher costs.

A pipeline of investment for infrastructure provides certainty, ensures efficient delivery and value for money and supports long term workforce investment by the private sector. The Infrastructure Commission has done significant work on pipeline certainty that the Agency supports.

Providing pipeline certainty helps address the challenges the industry faces around the capacity and capability in the system. It will also provide the certainty needed to bolster confidence in the supply chain, support the integration of local industry and iwi and provide communities with a level of certainty.

Significant changes in priorities can impact the achievement of sustained long term outcomes. The GPS provides an opportunity to introduce a robust long term planning model, providing a 10 year pipeline of activity that could include mass transit and the transport requirements driven by urban growth.

The Agency is continually evaluating and developing the way we deliver infrastructure projects to get the best results for Aotearoa New Zealand and to understand the crucial factors for successful delivery of infrastructure projects.

## Enabling successful delivery

How projects and programmes are established and set-up has an impact on delivery efficiency. The following examples demonstrate how, between Agency-led delivery models and government support, positive delivery outcomes can be achieved.

### Consenting and collaborative models - North Canterbury Transport Infrastructure Recovery

- To respond to the 2016 Hurunui/Kaikoura earthquakes, owners of the road and rail networks came together for the first time in setting up the North Canterbury Transport Infrastructure Recovery (NCTIR) Alliance with four construction companies - Downer, Fulton Hogan, HEB Construction and Higgins.
- The earthquake caused widespread damage with a total of 3300 necessary repairs, including significant landslides closing State Highway 1 (SH1), the Main North Line railway between Picton and Christchurch, and the Inland Road (Route 70). The Main North Line was reopened within 10 months of the event, with SH1 reopened just over one year after the event.
- Key factors that enabled accelerated delivery included:
  - » Funding decisions taken early by Cabinet, with Crown funding tied to outcomes (rather than for specific projects).
  - » Consenting, investigations, scoping, design and construction processes overlapped, enabling quick delivery, supported by fast-tracked consenting processes through the Hurunui/Kaikōura Earthquakes Recovery Act 2016.
  - » A collaborative alliance model focussed on outcomes.
  - » Strong local relationships, including with iwi.

# Accelerating digital

## Moving at pace – Bridge replacement on State Highway 25A

- State Highway 25A between Kōpū and Hikuai suffered significant damage with the road collapsing after the NIWE. Without this connection, residents and visitors must travel alternative routes, increasing the journey time.
- Due to the importance of this travel corridor, efforts to reopen as quickly as possible have been employed. A bridge is currently in construction to reconnect the state highway.
- Key factors enabling accelerated delivery included:
  - » Funding decision taken early by Cabinet, with Crown funding being made available.
  - » Classification as an ‘emergency work’, allowing for work and consenting to be accelerated
  - » Fast tracked procurement based on resourcing, capacity and programme.
  - » Modifying a design of a similar size structure to suit the site.
  - » Redirecting materials from another project to fabricate the beams to enable delivery (noting that materials were not scheduled to be required until 2024).
  - » Strong relationships and support from iwi, local council, and industry.

## Certainty and long-term programmes – Auckland Transport Alignment Project (ATAP)

- In 2016 Ministers and the Mayor of Auckland agreed to a strategic direction and indicative programme to deliver transport improvements across Auckland over the next 30 years – called ATAP.
- ATAP includes a cross-agency partnership including the Ministry of Transport, the Agency, KiwiRail, the Treasury, Auckland Council, Auckland Transport and the Public Services Commission.
- ATAP has built consensus on a prioritised programme of transport system investments that aligned with land use and urban form outcomes.
- The ATAP package is delivered by the Agency, Auckland Transport and KiwiRail. Close collaboration continues to be necessary with these partners. One example of this collaboration is the Supporting Growth Alliance, whose purpose is to investigate, plan and deliver the transport networks needed to connect selected urban growth areas over the next 30 years.
- Key features enabling success:
  - » Ministers and local leaders agreeing to a long-term funded plan and programme, with clear and concise agreed objectives.
  - » A dedicated alliance focused on integrated delivery with an independent programme director.

Accelerating digital is a key strategic priority for the Agency. The Agency is in the middle of a significant programme of work on our digital enablement and platforms to modernise our systems, make it possible to price and manage the system more efficiently and effectively and to provide an improved customer and user experience.

The Agency is responsible for one of the largest data collections in the public sector. The Agency manages a number of critical registers and digital systems for the country including the driver licencing and vehicle registration systems, which also act as critical personal identity systems.

## Moving from projects to platforms

The Agency is progressing a number of strategically significant, digitally enabled programmes, that will provide critical platforms for the transport system. These include:

- The National Ticketing System (NTS) will improve public transport for New Zealanders by integrating one easy to use, contactless payment ticketing system providing a consistent customer experience for public transport trips across the country.
- Introduction of new safety camera technology and operations.
- Replacement of the tolling system.
- Upgrade of the Advanced Traffic Management System (ATMS).

These programmes, which align with good practise overseas, to position us well to price and manage the system differently, and to get efficiency in how we manage and maintain the transport system.

## In-vehicle technology solutions

The Agency is exploring in-vehicle technology solutions and the related opportunities this presents. This is a critical component of the future transport ecosystem, as the technology can integrate with other technology platforms for a more connected land transport system. Over time, this type of technology should reduce the need for physical infrastructure investment (eg roadside cameras and sensors). The benefits of in-vehicle technology solutions are being realised in several countries, improving outcomes such as safety, congestion, emissions reduction, and revenue collection.

For drivers, connectivity makes it easier to comply (eg logbooks, permits and warrant of fitness alerts); allow access to real time payments (eg for road user charging, tolling or congestion charging); safety information; and alerts for potential disruptions or hazards, making it easier for people to plan their journeys. Connectivity can also extend beyond the vehicle, providing alerts to vulnerable road users such as cyclists and pedestrians, improving safety for everyone.

The Ministry is considering the role of in-vehicle technologies as part of the Land Transport Revenue Sustainability project. The Agency will continue working with the Ministry to progress opportunities associated with in-vehicle technologies.

## Mobile driver licence

The mobile driver licence (mDL) will be a digital form of a driver licence available on a smartphone, built to international standards so it can be verified locally and overseas. Several European countries, the United States of America, and many Australian states (Victoria, New South Wales, Queensland) either have some form of mDL available to driver licence holders or are in the testing process.

Progressing an mDL will enable New Zealand to keep up with international offerings and meet known public expectations, while driving use and engagement with our digital tools. An mDL will allow driver licence details to be updated in real-time, such as adding classes and endorsements and lifting conditions. It will be able to quickly reissue a driver licence, which will help:

- manage the risk of identity or financial fraud
- improve access to these services for those who do not live nearby or cannot easily access counter services at our delivery agents
- when it is not possible to physically sight proof of address and identity documents.

This will require the Ministry to progress legislative change to the Land Transport (Driver Licensing) Rule 1999 to allow a digital form of driver licence as the current rule only allows for physical driver licences and paper temporary licences.

## The Agency application

The Agency application (app) is a mobile app in development that will provide a single place for customers to interact with the Agency. It will feature driver licence details, vehicle data (warrant of fitness, registration, and road user charges), payments for tolling, vehicle registration, and speed infringements. Over time, it will include a mobile driver licence, integration with a national public transport ticketing system, and an ability to pay for other road uses (such as congestion charging).

An active and engaged digital base provides a platform for the Agency to communicate with customers to drive behaviour change for mode shift and road safety. It will also simplify the customer experience, improve accessibility, and reduce operational costs for the Agency by reducing paper and postal costs, and providing a safe and secure channel for customer to self-serve and interact with the Agency. The app will also enable the Agency to notify customers of non-compliance faster, and to better manage frequent changes of address.

## Digital asset management

Digital engineering retains asset design and build information in a digital format, for better planning, modelling and design. Aspects of digital engineering are being trialled NZUP and by the Transport Recovery East Coast Alliance (TREC) and other alliances which will be leveraged for the Agency's enduring digital engineering capabilities.

Digital asset management lets us derive the most value from our transport assets by making data-based decisions for design, maintenance, and improvements over the asset lifecycle. This supports Treasury guidance regarding asset management and its performance.

Digital asset management will provide:

- an accurate, single source of truth for design-related information. It promotes collaborative design, where partners have access to asset design-related information in one place
- improved quality of asset data, using standards and capturing data in a consistent format
- improved engagement with stakeholders such as Iwi and landowners, allowing us to plan for simultaneous work, including across sectors, reducing the impact of closures on our customers
- cost and time savings for maintenance and other projects which can leverage existing survey and design related information
- an evidence base for more informed decisions and tests the impacts of different options without having to dig.

# Regulatory effectiveness

In 2020, we set the foundational strategy to reset the delivery of regulatory services and strengthen our leadership of the land transport system. The Agency is responsible for a significant regulatory portfolio that includes the management and renewal of millions of licenses and the oversight of commercial vehicle operations. The regulatory function also has responsibility for the management of the clean car scheme.

Effective regulation to keep people safe and ensure the system is effective, efficient and fair is an integral part of this. To achieve this, we must ensure our regulations are easy to comply with, hard to avoid, and are effectively coordinated with other land transport levers such as infrastructure design, planning, and investment management.

There is a need to invest deliberately in reducing inefficiency, complexity and cost. Some of our current regulatory requirements are out of date, and not fit for purpose, creating cost and inefficiency for sectors; as well as impacting on the delivery of regulatory outcomes. Currently many regulatory processes are not nimble or effective and do not keep up with the changes needed that people and businesses are asking for.

The effective delivery of regulation requires frontline regulators and policy/monitoring agencies to work in close partnership to deliver regulatory outcomes. This includes having a clear shared understanding of what regulatory regimes are seeking to achieve, how they work on the ground, and risks, issues and opportunities that need to be focused on.

The key aspects of the Agency regulatory function are to:

- provide oversight of the effectiveness of regulatory interventions on outcomes
- inform relevant and responsive regulation by regular monitoring and review
- ensure effective compliance monitoring and management processes of regulated parties to enable system access for people, devices and networks, by risk targeted and cost-effective regulatory management of the land transport system
- oversee entry into the system: through driver licensing with Vehicle Testing NZ (VTNZ) and the Automobile Association (AA), vehicle certification and registration (with New Zealand Post), rail licensing, commercial operator licensing, and public transport licensing
- be responsible for managing critical transport registers for licencing and vehicle registration, which are also used as key identity management tools across NZ
- ensure compliance and safety while in the system: through warrant of fitness and certificate of fitness checks (with our service delivery providers), roadside policing, site visits, engagements, and audits of road and rail operators
- manage enforcement and exit from the system: through actions taken to either remove unsafe drivers, products, and road and rail operators from the system, or to bring them back into compliance
- be responsible for implementation of vehicle emission standards including management of government incentive and disincentive schemes associated with ERP and climate plans
- provide public services by key agents under contract, ie AA and VTNZ.

## The Director of Land Transport

The Director has statutory functions, powers, and duties granted directly by legislation, and others are delegated by the Agency. Some of the functions granted to the Director by legislation are statutorily independent. These include:

- actions in relation to land transport documents (such as issuing and revoking licences)
- granting exemptions to statutory requirements (such as temporary driver licence exemptions)
- carrying out enforcement responsibilities (such as prosecutions).

The Director is a transport system leader. While remaining responsible for the operational delivery of core regulatory functions, the Director is also the land transport system regulatory steward. This includes undertaking more comprehensive monitoring of the land transport regulatory system and proactively advocating for changes to the regulatory framework.

The Director has responsibilities relating to regulatory operational policy, processes, procedures and standards setting for end-to-end regulatory systems, risk management and improving regulatory outcomes. The Director is also responsible for informing, advising and educating on standards and regulatory requirements to the public, wider industry and across the Agency.

## Rail regulation

Rail is an integral part of the transport system. To deliver as part of an integrated transport system, the rail network must be resilient, reliable, safe and interconnected with road networks.

The Agency is the rail regulator under the Railways Act 2005 and has an expanding role in this high-hazard transport sector with safety operating licences used to manage the inherent risk within rail of high consequence (multiple fatality) low probability events.

The New Zealand Rail Plan describes the government's vision for a rail network that provides modern transit systems in our largest cities and enables increasing volumes of freight to be moved by rail. This plan involves significant new investment in heavy rail including an expanded freight network and ferry service between the islands. In addition, there has been significant additional investment (underway and planned) into the commuter rail network with the City Rail Link in Auckland and a significant expansion of the commuter rail services in Auckland and Wellington and inter-regionally.

The scale of change and investment in the rail space has considerably increased the risk profile of rail with more risk of interface issues on the rail networks and competing demands between freight and passenger rail services.

The changing risk profile has resulted in increasing demand from the sector for stronger regulatory oversight. While there has been some increased investment in the regulatory function to support this, this has not been commensurate to the scale of additional rail investment. This is an area where the Agency is seeking additional funding to support an effective regulatory response.

As Minister, you receive assurance via our Board and via the Ministry's Crown monitoring function, on our regulatory performance. We will keep you updated on our key regulatory decisions and actions and will ensure there are no surprises.

# Partnering with local government and iwi in the regions

The Agency has a regional model with five teams based across Aotearoa New Zealand working with local government, iwi, business and other regional stakeholders across all aspects of the end-to-end delivery model (plan, design, build and maintain) for each region.

These teams are led by senior directors of regional relationships supported by a team of delivery, regulatory and Māori advisors who have close relationships with mayors, councillors, iwi and business leaders. They regularly attend and brief local boards and councillors about our projects at workshops and planning committees.

Through the NLTP process, the Agency teams engage with regional transport committees (RTCs) and road controlling authorities (RCAs) as co-investment partners to fund and develop a range of infrastructure projects and services every three years.

The Agency works closely with local authorities to consult upon and implement speed limit changes, and our transport policy and planning teams engage closely with local authority planning teams to integrate land and transport planning, secure designations, and achieve plan changes under the National Policy Statement on Urban Development. During the business case and consenting stages of a project, project teams work closely with council specialists to develop the design, understand related activities and services, and negotiate approvals for any changes to their planning or designation rights.



# Snapshot: functions and services

## Regulatory

12,550 vehicle inspectors, certifiers and inspecting organisations

5570 compliance monitoring reviews of vehicle inspectors, certifiers, and inspecting organisations

Administration of road user charges revenue (including refunds) for 1.2 million vehicles

77 rail licence holders

38,200 transport service licence holders

7000 heavy vehicle permits processed annually

391,550 commercial heavy vehicle driver licence holders

5.2 million registered vehicles

6.8 million vehicles inspected annually

3.5 million licensed drivers

250,000 new licences issued annually

## 2012-24 NLTP investment

\$7.2 billion road network operations and maintenance

\$6.6 billion local, regional and state highway road improvements

\$4.9 billion public transport infrastructure and transport services

\$3 billion road safety improvements

## State highway network

\$82.8 billion value of asset

4500 bridges and large culverts

11,800km managed and maintained

Number of weather events impacting the transport network grew from 271 in 2021/22 to 512 in 2022/23

## Infrastructure

31.8 billion km light vehicle kilometres travelled in main urban areas

83,000km local roads

295 public traffic cameras on network

## Public transport

129 million boardings

## Auckland Traffic Operations Centre

Area of operation - 3000kms of state highways, 7500km of arterial/local roads

Making an average of 16,200 traffic signals adjustments each month

Each year we respond to more than 40,000 unplanned events

## Customer and services (contact centre)

FY2022/23

Calls answered: 820,083

Emails answered: 211,773

## Interactions with the public (the Agency and agents)

Driver licence: 2,632,924

Motor vehicle: 5,582,574

Road user charges: 2,738,578

### Online

Driver licence: 268,264

Motor vehicle: 5,210,910

Road user charges: 1,117,983

## Major programmes

National Land Transport Fund

NZ Upgrade Programme

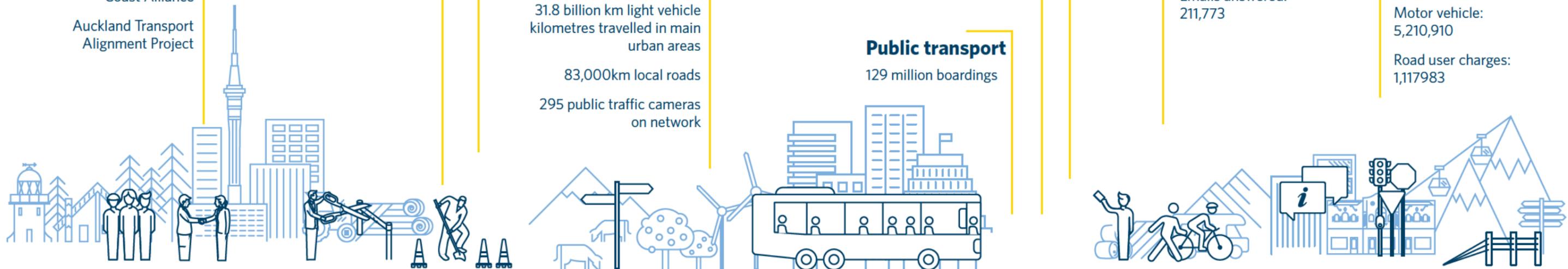
Climate Emergency Response Fund

Supporting Regions Programme

Transport Resilience Fund

Transport Rebuild East Coast Alliance

Auckland Transport Alignment Project





# The first 100 days

This section provides a summary of the items and issues that are relevant to your first 100 days of office. The tables provide information relating to decisions required, items for action and items for awareness. Following the tables are summaries of other key matters.

Item	Context	Relevance to Minister
<b>Decisions required</b>		
Let's Get Wellington Moving (LGWM)	A high profile programme spanning improvements to existing infrastructure and a number of transformational infrastructure initiatives.  A further briefing will be provided to you on LGWM.	For decision.
Current initiatives within the Climate Emergency Response Fund (CERF) programme.	A plan for the Vehicle Kilometres Travelled (VKT) initiative has been prepared. Finalisation of the Transport Choices Programme is underway. Advice on the proposed final package for Transport Choices will be provided in late 2023.	For decision.
Driver Licensing Improvement Programme (DLIP) s9(2)(f)(iv)	The Employment, Education and Training (EET) Ministers endorsed the DLIP Programme Business Case preferred investment option for targeted system change when they met on 14 August 2023.  A Detailed Business Case will be developed by November 2023. s9(2)(f)(iv)	For decision.
Bilingual signage	A six-week consultation process on a package of 94 bilingual traffic signs as part of He Tohu Huarahi Māori bilingual traffic signs programme was completed on 30 June 2023. The Land Transport Rule: Traffic Control Devices Rule (Bilingual Signs) Amendment 2023 is awaiting Ministerial signature.	For decision.

Item	Context	Relevance to Minister
<b>Items for action</b>		
Tabling the Annual report	The Annual report for the Agency is legally required to be tabled in Parliament by the responsible Minister. Due to the date of the General Election 2023 this has not been done.	For action.
<b>Items for awareness</b>		
Waitematā Harbour Connections (WHC)	On 6 August 2023 the then Prime Minister announced the emerging preferred option for the project. The Indicative Business Case (IBC) is being completed which will include content from targeted engagement with project partners. The Agency Board will review the IBC in early 2024. The Agency is providing you a further briefing on WHC.	For awareness.
The Auckland Integrated Transport Plan (AITP)	The Mayor of Auckland and the previous Minister of Transport released a joint statement relating to the AITP (see Auckland Programmes section) that will see the existing Auckland Transport Alignment Plan (ATAP) being replaced.  The Mayor of Auckland will be seeking engagement with you and to agree to a joint statement of support for the AITP. The Ministry will brief you further on this.	For awareness.
Speed management planning	The full State Highway Speed Management Plan for the 2024-27 NLTP is being developed. Implementation is scheduled for July 2024. Consultation is required before implementation. Government directed the Agency to focus on the 1% highest risk areas on the state highway network. These are: SH 23 West Waikato to Raglan, all of SH25A and SH2 Remutaka Hill.	For awareness.
Regulatory Rule Amendments	A Regulatory Systems Rule Amendment package involving minor-to -moderate changes to different Land Transport Rules is currently being finalised for consultation in early 2024. The proposed changes will include requirements for heavy vehicle braking, specialist certification and road markings and signage.	For awareness.

Item	Context	Relevance to Minister
North West Auckland Rapid transit public consultation	The first phase of community engagement ran from 24 August to 24 September 2023. The second phase of public engagement is now planned for early 2024.	For awareness.
Transport Resilience Fund Projects	The Agency is administering the Transport Resilience Fund through a seven-year programme (2023-30) that aims to advance proactive resilience improvements. This is a Crown funded programme where joint Ministers (of Transport and Finance) must approve the annual programme. Further announcements for the first year of local road projects are expected to be confirmed soon.	For awareness.

# Major work programmes summary

## Auckland programmes

The government and Auckland Council (and their respective transport agencies) have worked together since 2015 through ATAP to maintain alignment on a strategic approach to transport in Auckland, including investment priorities.

Since 2015 strategic alignment through ATAP processes has brought major benefits, with more rapid progress being made on key initiatives and significant improvement in many key metrics. ATAP supported a relatively consistent strategic direction on transport across multiple governments and terms of council, including increased investment into Auckland's transport system and greater levels of certainty about investment priorities.

In early 2023 the Auckland Mayor and the then Minister of Transport agreed a scope for an Auckland Integrated Transport Plan (AITP). The AITP is intended to be a successor to the current ATAP processes, providing long-term direction for transport in Auckland, and agreed short- and medium-term investment priorities for upcoming RLTP and NLTP processes.

A statement of joint priorities was released in August 2023 between the Auckland Mayor and the then Minister, reflecting much of the work undertaken on the AITP to date.

The statement of joint priorities emphasised the goal of a faster, low carbon, resilient transport system, as well as the importance of developing Auckland's rapid transit network and progressing a form of congestion pricing. It is noted that funding for the AITP is yet to be confirmed.

The joint statement notes the need for potential legislative change to support more integrated partnership to decision-making between central and local government.

It will remain important for the Agency to participate in the AITP to manage potential risks relating to uncertainty and misalignment across partners, understand how the AITP aligns with the Agency's statutory functions and ensuring the AITP is able to demonstrate progress against key outcomes in the RLTP and NLTP.

## New Zealand Upgrade Programme

The New Zealand Upgrade Programme (NZUP) was launched in early 2020 as part of a wider economic stimulus package and a significant programme of infrastructure investment for New Zealand.

In June 2021, Cabinet agreed to changes in the transport programme and increased the overall budget from \$6.8 billion to \$8.7 billion, with the additional funding held by the Joint Ministers as a tagged contingency.

The transport improvements are in our main growth areas - Auckland, Waikato, Bay of Plenty, Manawatū/Whanganui, Wellington, Canterbury and Queenstown. The NZUP projects in implementation phase are Papakura to Drury, Penlink, Takitimu North Link stage 1, State Highway 58 Safety improvements stage 2 and State Highway 1 Tinwald corridor improvements.

As part of NZUP, the government also allocated \$88m for regional investment opportunities for thirteen regional state highway projects.

Given the significant Crown investment, a NZUP governance structure was put in place to provide high levels of assurance to Joint Ministers, the Agency and KiwiRail Boards. Joint Ministers made decisions in April 2023 to delegate scope and outcomes decisions to delivery agencies for most projects to deliver within the approved funding.

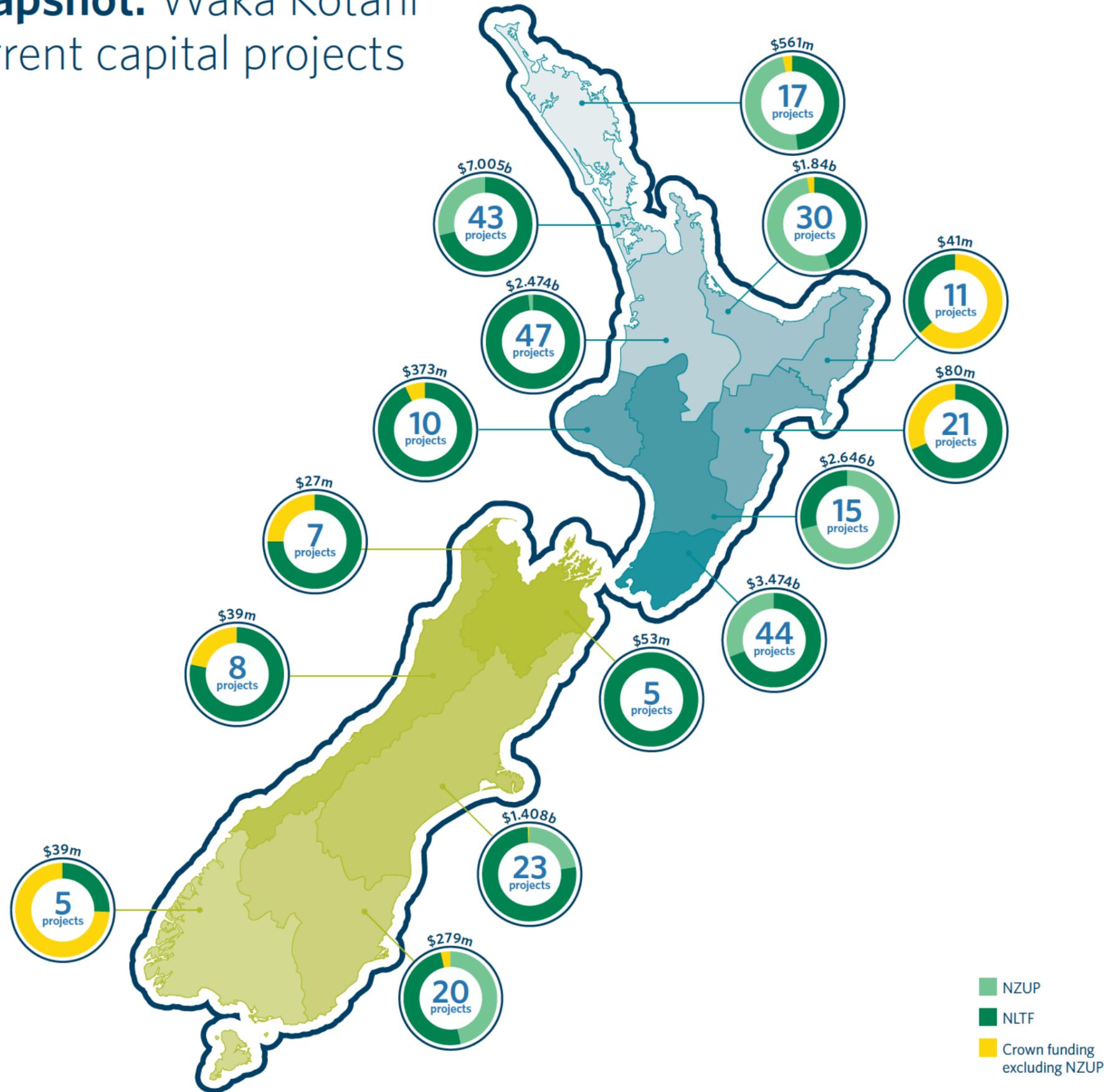
As Minister of Transport, you are a joint Minister (along with the Minister of Finance) who holds aspects of decision making and oversight of NZUP.

## Current major capital projects

The following Agency capital projects have ministerial interest and are significant to achieve positive shifts in the transport system.

- Ara Tūhono: Pūhoi- Warkworth
- NZUP - O Mahurangi Penlink
- Auckland Network Optimisation
- NZUP Takitimu North Link Stage 1
- Baypark to Bayfair Link Upgrade
- NZUP SH29 Tauriko West Enabling Works
- Te Ara o Te Ata: Mt Messenger Bypass
- Te Ahu a Turanga: Manawatū Tararua highway
- NZUP Ōtaki to North of Levin Pre-Implementation
- NZUP SH2 Melling Efficiency and Safety Improvements
- Te Ara Tupua: Ngā Ūranga ki Pito-One

# Snapshot: Waka Kotahi current capital projects



■ NZUP  
■ NLTF  
■ Crown funding excluding NZUP

## Snapshot: Current capital projects activity and value by region

Total value of current projects: **\$20,348b**  
 Total number of current projects: **306**

Northland	<ul style="list-style-type: none"> <li>- Loop Road North to Smeatons Hill</li> <li>- SH10 Kaeo Bridge upgrade</li> <li>- SH1 Whangārei to Port Marsden Safety Improvements</li> </ul>
Auckland	<ul style="list-style-type: none"> <li>- Supporting Growth Alliance (Auckland)</li> <li>- Auckland Network Optimisation</li> <li>- Waitematā Harbour Connections</li> <li>- O Mahurangi Penlink</li> <li>- SH1 Papakura to Drury</li> </ul>
Waikato	<ul style="list-style-type: none"> <li>- SH1 Cambridge to Piarere Route Protection</li> <li>- SH1 Cambridge to Piarere Safety Improvements</li> <li>- NZUP SH1-29 Intersection Improvements</li> </ul>
Bay of Plenty	<ul style="list-style-type: none"> <li>- Takitimu North Link Stage 1</li> <li>- Baypark to Bayfair Link Upgrade</li> <li>- SH29 Tauriko West Enabling Works</li> </ul>
Gisborne (East Coast)	<ul style="list-style-type: none"> <li>- Cyclone Recovery Projects</li> </ul>
Hawke's Bay	<ul style="list-style-type: none"> <li>- Cyclone Recovery Projects</li> <li>- SH51 Napier to Hastings</li> <li>- SH5 Matea Road to SH2</li> </ul>
Manawatū/Whanganui	<ul style="list-style-type: none"> <li>- Te Ahu A Turanga: Manawatū Tararua Highway</li> <li>- SH1 Bulls to Sanson - Pukenui Road</li> <li>- Ōtaki to north of Levin</li> </ul>
Taranaki	<ul style="list-style-type: none"> <li>- Te Ara o Te Ata: Mt Messenger Bypass</li> <li>- SH3/3A Waitara to Bell Block</li> <li>- SH3/3A New Plymouth to Hāwera</li> </ul>
Wellington	<ul style="list-style-type: none"> <li>- LGWM Transformational Project (Mass Rapid Transport, Basin Reserve, Mt Victoria Tunnel)</li> <li>- Te Ara Tupua: Ngā Ūranga ki Pito-One</li> <li>- SH58 Safety Improvements - Stage 2</li> <li>- SH2 Melling Efficiency and Safety Improvements</li> </ul>
Marlborough	<ul style="list-style-type: none"> <li>- SH6 Blenheim to Woodburn Safety Improvements</li> <li>- SH1 Picton Port Access</li> </ul>
Canterbury	<ul style="list-style-type: none"> <li>- SH1 Selwyn River to Ashburton Safety Improvements</li> <li>- Public Transport Futures Mass Rapid Transit (Christchurch)</li> <li>- Canterbury Package</li> </ul>
West Coast	<ul style="list-style-type: none"> <li>- SH6 Haast to Hawea Resilience Business Case</li> </ul>
Otago	<ul style="list-style-type: none"> <li>- Beaumont Bridge replacement</li> <li>- Queenstown Package</li> <li>- Dunedin City and Hospital Business Case</li> </ul>
Southland	<ul style="list-style-type: none"> <li>- SH94 Homer Tunnel</li> <li>- SH1 Elles Road Intersection Safety Improvements</li> </ul>

# Public transport

The Agency does not directly provide public transport, but enables the provision of these services through its planning, policy and investment role, which includes:

- Providing guidance for regional councils in planning their networks and developing regional public transport plans.
- Approving procurement procedures for public transport services.
- Investing in public transport through the NLTP.
- Monitoring public transport performance and evaluating the Public Transport Operating Model.
- Commissioning research to inform further policy making and public transport delivery.
- Planning and investing to enable access for people with disabilities and people over 65.
- Giving effect to government public transport policy by developing operational policy and guidelines.

Through the CERF programme, the Ministry and the Agency are working with councils, public transport authorities (PTAs) and other partners on initiatives aimed at improving public transport services and transitioning the public transport fleet to low-emissions vehicles. It includes:

- Transitioning the public transport bus fleet from diesel-fuelled to zero- or low-emission vehicles to contribute to the transport sector's emission reduction targets.
- Collaborating with central government, PTAs, operators, and unions to improve bus driver terms and conditions and help provide more stable and reliable bus services across the country.
- Working with PTAs on the national roll-out of Community Connect from 1 July 2023 to around one million Community Service Card holders.

In August 2022, Cabinet agreed to make legislative changes to establish the Sustainable Public Transport Framework (SPTF). This framework will replace the Public Transport Operating Model (PTOM). The SPTF will ensure that planning, contracting and delivery of public transport services prioritises mode-shift, fair and equitable treatment of employees, and improved environmental and health outcomes. The SPTF reforms will also enable public transport authorities to own and operate public transport services, and to provide a wider variety of service types, such as on-demand services.

The Agency is responsible for developing operational policy to implement the SPTF, which will be progressed in parallel with legislative reforms.

# The Rail Network Investment Programme

The Agency's legislated role is to review and provide advice and recommendations to the Minister of Transport as to whether to approve the Rail Network Investment Programme (RNIP) and allocation of NLTF to RNIP activities. The Minister is required to consider our advice before approving or declining the RNIP.

KiwiRail prepare a RNIP every three years which aligns with the NLTP. The RNIP outlines the three-year programme of rail network investments across the New Zealand rail network, with a 10-year forecast. The GPS allocates funding to the national rail network, through the Rail Network activity class.

When the Minister approves the RNIP, and the Agency Board approves the NLTP, the activities contained in the RNIP will also be included in the relevant NLTP.

# Safety

As part of the Land Transport Management Act 2003, the Agency has responsibilities relating to the safety of the land transport system. The Agency works across the transport sector to:

- improve the safety of cars, trucks and motorbikes
- improve the safety of our roads for everyone who uses them
- setting speeds that are safe and appropriate for our roads
- improving the safety of people who are driving for work
- help people make good choices and follow rules when we use the roads.

## Implementation of the Speed Limits Rule 2022

The Land Transport Rule: Setting of Speed Limits 2022 (the Rule) was approved by Cabinet and came into effect on 19 May 2022. The Rule replaced the previous Land Transport Rule: Setting of Speed Limits 2017.

The Rule significantly changes the way speed limits are set and ensures decisions about speed limit changes are made (and described) in the context of safety-related infrastructure improvements and the placement of safety cameras.

The Land Transport (Register of Land Transport Records – Speed Limits) Regulations 2022 support the Rule, outlining the requirements for registering speed limits as land transport records in the new National Speed Limit Register (NSLR).

The Rule changed the speed management process by:

- introducing a regional speed management planning approach on a three-year cycle that aligns with the three-year cycle of the NLTP
- requiring RCAs to use reasonable efforts to reduce speed limits around all schools by 31 December 2027 with an interim target of 40% of schools by 30 June 2024. Schools includes all schools and kura under the Education and Training Act 2020
- requiring all RCAs that are territorial authorities to include their proposed speed limit changes and safety infrastructure treatments (including proposed safety camera placements) for the coming 10 years into speed management plans
- introducing a new consultation process that aligns with the three-year RLTP consultation process
- requiring regional councils to facilitate the administrative function of regional consultation on speed management plans
- giving the Director of Land Transport responsibility for certifying speed management plans
- removing the requirement to set speed limits through bylaws, enabling a whole of network approach that considers safety-related infrastructure improvements, speed limit changes and safety camera placement together.

# North Island weather events (NIWE)

The NIWE highlighted the urgency of addressing the challenges posed by extreme weather events now and in the future. Due to the extensive damage caused by the weather events, the recovery and rebuild is expected to span 10 years. Important decisions on how and where resources are allocated need to be made, and appropriate funding to support the process is necessary.

Prioritising the response to NIWE has put additional strain on an already pressured funding situation. There is a need for the Agency to balance response efforts with improving network resilience and for the government to prioritise investments in both repairing damage from the weather events and building climate-resilient infrastructure. This will ensure the transport network is robust and capable of withstanding future shocks.

Crown funding of more than \$1.7 billion has been provided to date to address NIWE-related state highway and local road response and recovery activity.

As both the local authorities and the Agency work to reinstate the network, resource constraints are expected to grow. To address the shortages, the Agency has established the Transport Rebuild East Coast (TREC) Alliance. TREC is a collaboration between the Agency, KiwiRail, and three major contracting companies, which will lead the design and delivery of physical works on the state highway and rail networks, in Tairāwhiti and Hawke's Bay regions, over the coming years.

There is a strong need for certainty and decisions on NIWE rebuild funding and we have worked closely with the Ministry and the Treasury following Cabinet's decision to invite the Agency to submit state highway resilience proposals into the Treasury's Investment Management System. Crown funding will be required for the rebuild. The Ministry and the Agency will brief you on this further.

# Responding to climate change

From an organisational perspective, changes to climate present a number of risks. The resilience of the transport network is being regularly tested and the failure of critical assets due to rising sea level, rainfall, winds and temperatures needs to be considered in the management of the network.

The medium and long-term investment needs of the land transport system are growing as a result of climate change. Delivery of current projects has been affected by supply chain disruptions due to weather events and there is an increased level of public interest about infrastructure investment decisions and the alignment with climate change policies.

The increased frequency and intensity of extreme weather events in recent years continues to test the resilience of the land transport system, disrupting supply chains and isolating communities. These events highlight the importance of adaptation and emissions reduction, and how urgently we need to make progress.

From an emissions perspective, transport, primarily land transport, is the second largest source of greenhouse gas emissions in New Zealand and the fastest growing source of domestic emissions. Reducing emissions from the land transport system will lead to a healthier and fairer transport system, improved freight efficiency and better road safety outcomes.

There are many overlapping government strategies and plans that the Agency is responding to, or leading work programmes in response to, including:

- The National Adaptation Plan (NAP), released in August 2022 to support the preparation for climate change through a combination of community-based initiatives and national-level policies and legislation. Developing a plan for adapting the land transport system to the reality of a changing climate was a critical action in the NAP.
- The government's Emissions Reduction Plan (ERP) released in 2022 which provides a clear direction to transition New Zealand to a low-emission and climate-resilient transport system. It also sets the transport sector an emissions reduction target of 41 percent by 2035 (from 2019 levels).
- The Decarbonising Transport Action Plan 2022-2025, published by the Ministry in December 2022, which builds on the transport-related actions in the ERP, and focuses on enabling New Zealanders to make transport choices that work for them, with the benefit of reducing emissions.
- The Carbon Neutral Government Programme (CNGP) also became a statutory requirement for the Agency under the Crown Entities Act 2004, meaning carbon emissions from infrastructure activities need to be measured and reduced.
- Other legislative changes that have given the Agency new and enhanced responsibilities including administering the Clean Car Discount and Standard.
- The establishment of CERF as an enduring, multi-year funding mechanism, to support New Zealand's transition to a low-emissions and climate-resilient economy. In Budget 2022, \$1.2 billion from CERF was allocated to deliver key transport emission reduction initiatives from the ERP. The Agency was assigned responsibility for delivering most of these initiatives. Budget 2023 provided additional funding from CERF to expand the Public Transport programme.

The Agency is working hard to deliver on the government's climate change objectives. System-wide changes are needed to put the country's transport emissions on the trajectory to a low-emissions future, and it will take time for us to see the results of interventions. Emissions are estimated to continue at high levels for a few more years before starting to decrease.

# Our partners

Managing and improving the land transport network requires good working relationships with a number of key partners, including the public.

## Working with local government

Local government is a key planning and delivery partner for the Agency, and we are committed to building and sustaining high trust relationships with our local government partners.

The Agency understands the key challenges of local government especially the funding and financing of infrastructure. The Agency is working more actively with our local government co-investment partners to drive more integrated planning of local transport solutions.

## Treaty partners

The Agency has legislative responsibilities to work with Māori through the Land Transport Management Act 2003 and the Resource Management Act 1991. We are committed to fostering strong and enduring relationships with Māori. This commitment is guided by Te Ara Kotahi – our Māori Strategy. We engage with hapū and iwi wherever possible on activities that are likely to affect them or their interests.

Central to this is our relationship with Māori as Treaty partners and mana whenua. We are seeking to work in partnership with Māori across the transport system, from setting operational strategy to building and delivering targeted programmes such as the driver licensing schemes in Tairāwhiti Gisborne and Te Tai Tokerau Northland.

Hononga ki te Iwi, our Māori Engagement Framework, was created to help guide and support our people in their work with Māori to build strong, meaningful and enduring relationships to achieve mutually beneficial outcomes. The aim of the framework is for the Agency to have a successful and confident approach to Māori engagement, which supports Māori aspirations and the objectives of Te Ara Kotahi.

The Agency has established Pou Ārahi Regional Advisor Māori positions throughout the country to build the cultural competence of the organisation and facilitate Māori engagement in the work we do.

New Te Ao Māori elements in investment decision making processes such as the benefits framework, business case guidance and assessment tools were established in 2020/21. These new processes ensure transport investments give due consideration to Māori aspirations in land transport related activities.

## The public

The Agency works closely with people and organisations affected by our work. We consult on significant projects and talk regularly with road users, people living alongside our state highways, consultants and contractors, and other stakeholders including local authorities. In partnership with local government, we engage with communities about the risks on our roads and work together to find solutions.

# Appendix 1: The board

## Private sector

Our partners in the private sector are critical to the delivery of our projects and services and as such we build enduring relationships that reflect this.

The private sector partners undertake a range of activities from aspects of project design and delivery, through to the supply chain and as service agents to the public for regulatory requirements.

The Agency is part of the Construction Accord which is a partnership between the Public and Private sectors that aims to improve the effectiveness and safety of the construction sector.

By working together we have seen real benefits in a number of areas including the impact on local employment and building local capacity to undertake projects.

## Working across government

Collaboration across government is critical to our success in delivering on Ministerial and government expectations, and to achieving our goals and obligations.

Our core business has grown in scope. Land transport has been identified as a key mechanism for achieving inclusive access, urban and regional development and for reaching environmental targets such as a reduction in greenhouse gases. As a result, collaboration with other central and local departments is both increasingly important and necessary.

The Agency has implemented measures to lift collaboration with our government partners. Each of the key Agency stakeholders has been assigned to the relevant Executive Leadership Team member, who is responsible for maintaining a positive relationship at a senior level.

These key stakeholders include: Ministry of Transport, KiwiRail, Kāinga Ora, Ministry of Housing and Urban Development, NZ Police, Treasury, NZ Infrastructure Commission, Department of Conservation, WorkSafe and ACC.

The Agency also partner with other government agencies and ministries to deliver better outcomes in programmes for example Road the Zero with the Police and Ministry, EECA to fund electric vehicle charging and the decarbonisation of the heavy vehicle fleet, Kāinga Ora on Growth Alliance Partnerships, and KiwiRail on projects including TREC, NZUP, and RNIP.

## Regional growth alliances

Another example of our work across sectors are regional growth alliances. The Agency partners with other central government agencies, local government, and iwi through Urban Growth partnerships in six high growth areas (Auckland, Tauranga, Hamilton, Wellington, Christchurch, and Queenstown) to improve housing supply and affordability and make sure land use and infrastructure is well integrated.

The spatial plans have recently formed the basis for Future Development Strategies for these centres, as required under the National Policy Statement on Urban Development. The continued focus remains on resolving infrastructure funding and financing challenges, enabling affordable housing supply and delivering in a way that achieves all the Urban Growth Agenda outcomes of affordable housing, emissions reduction, and liveable and resilient cities. As a strategic enabler of these outcomes, transport remains front and centre of these challenges.

## Board committees and members

The Agency Board is appointed by the Minister of Transport. The Minister appoints up to eight independent non-executive members to the Board (based on advice from the Ministry). These appointments are typically for a two or three-year period that may be extended.

The Board is responsible for ensuring the Agency is operating in accordance with the Crown Entities Act and Land Transport Management Act. It is responsible for making independent decisions on allocating and investing funds from the NLTF.

The Board has four standing committees: Risk and Assurance Committee, Investment and Delivery Committee, People and Safety Committee, and Regulatory Committee.

### Board committees

The Board may establish ad-hoc board committees however currently has the following standing committees:

#### Risk and Assurance Committee

The Committee's responsibilities include:

- general oversight and monitoring of audit, risk management and assurance activities
- overseeing compliance and performance measures.

#### People, Culture and Safety Committee

The Committee's responsibilities are to:

- maintain oversight and provide guidance to the Board in relation to human resources strategies, CE performance, frameworks, and policies, including monitoring and reporting on key employee risk metrics such as staff turnover and engagement
- oversee stakeholder engagement and perceptions.

#### Investment and Delivery Committee

The Committee's responsibilities are to oversee and make recommendations in relation to:

- strategy for funding applications, business cases, investment decisions and procurement proposals across all modes of transport
- the delivery of the NLTP by approved organisations
- the development and implementation of asset management strategies, risk assessment, environmental audit and performance monitoring in respect of state highways

#### Regulatory Committee

The Committee's responsibilities are to:

- maintain oversight of, and provide advice and guidance in relation to, the Agency regulatory strategy, frameworks, policies and activities

## Our board



### Dr Paul Reynolds Chair

**Board member and Board Chair since 1 February 2023.**

Paul is an experienced Chair, public sector leader and strategist. He has held a range of senior positions in the public sector including as Chief Executive of the Ministry for the Environment, Deputy Director General (Policy) at the Ministry of Agriculture and Forestry and Chief Policy Adviser at the Ministry of Research, Science and Technology.

Paul is currently Chair of AgResearch and Deputy Chair of Manaaki Whenua-Landcare Research. He is a Director of OSPRI Limited and the former Chair of the Student Volunteer Army Foundation.

Paul was made Companion of the Queen's Service Order in 2018 and has a PhD in Biochemistry from the University of Otago.



### Cassandra Crowley Deputy Chair

**Board member since 23 September 2019.**

Cassandra is a chartered accountant (Fellow), barrister and solicitor of the High Court of New Zealand and a member of the Institute of Directors.

In addition to her commercial advisory work, she holds non-executive directorship roles across several sectors of the New Zealand economy. These roles include chairing several audit, finance and risk committees and overseeing digital transformation. She is a past president of Chartered Accountants Australia and New Zealand and has been recognised for her leadership and governance contributions with the Supreme Award for Excellence in Governance from Women on Boards.

Cassandra chairs our Risk and Assurance Committee and is a member of our Investment and Delivery Committee.



### David Smol

**Board member since 1 February 2019.**

David has over 35 years' experience in New Zealand and the United Kingdom in both the public and private sectors. He has worked in the energy sector in both countries, including as director of an Oxford-based energy consulting firm with clients in the United Kingdom and Europe, large energy utilities and transmission companies, renewable energy generators, regulatory bodies and government departments.

In 2008, David was appointed Chief Executive of the Ministry of Economic Development. From 2012 to 2017, he was the inaugural Chief Executive of the Ministry of Business, Innovation and Employment, where he was responsible for the stewardship of multiple regulatory systems.

David is currently chair of the GNS Science Board, and Wellington UniVentures (the commercialisation subsidiary of Victoria University of Wellington). He is also a director of Contact Energy and the Cooperative Bank. David was made a Companion of the Queen's Service Order in 2018.

David is a member of our Regulatory Committee.



### Catherine Taylor

**Board member since 23 September 2019.**

Catherine is a chartered accountant and has held senior management positions in the public and private sectors, including five years as Director and Chief Executive of Maritime New Zealand. Catherine understands transport sector regulatory issues and has always been interested in how regulatory tools can be used to achieve safety outcomes.

Catherine's current governance roles include deputy chair of the Energy Efficiency and Conservation Authority, chair of Diabetes New Zealand, trustee of the John Nesfield Trust and trustee of the New Zealand Law Foundation.

Her past roles include deputy chair of Nelson Airport Limited, director of the New Zealand Institute for Crop and Food Research (now Plant and Food Research), member of the Civil Aviation Authority, member of the Building Practitioners Board, member of the Biosecurity Ministerial Advisory Committee and trustee of the Life Flight Trust.

Catherine chairs our Regulatory Committee and is a member of our People, Culture and Safety Committee.



### Patrick Reynolds

**Board member since 23 September 2019.**

Patrick brings extensive expertise in urban form and transport analysis and advocacy, along with public sector governance experience to the Agency.

He has lectured in urban design at the University of Auckland and written about transport and the urban realm in books and magazines and online, most prominently at Greater Auckland. Patrick is a recipient of the New Zealand Institute of Architects President's Award for his contributions to debates on Auckland's urban issues.

He has served on boards for Auckland Council, Auckland Transport, and Rotorua Lakes Council.

Patrick is a member of our Investment and Delivery and Regulatory Committees.



### Victoria Carter

**Board member since 23 September 2019.**

Victoria has over 25 years' experience as a director on the boards of NZX, private companies and council entities in the transport, tourism, education, property and arts sectors.

Founder of Cityhop, New Zealand's first and largest carshare business, Victoria is a known expert on mobility as a service.

Victoria is a former Auckland City councillor and an accredited Fellow of the Institute of Directors. In 2016, she was awarded the New Zealand Order of Merit for services to the arts, business and community. She holds a bachelor of laws from the University of Auckland.

Victoria chairs our People, Culture and Safety Committee and is a member of our Risk and Assurance Committee.

# Appendix 2: The leadership team

Our Chief Executive and Executive Leadership Team manage our organisation. They are:



## John Bridgman

Board member since 1 July 2020.

John has more than 35 years' experience in engineering and project management roles across Australasia and Asia.

John is the Chair of City Rail Link and a director of Kāinga Ora. He has held a variety of senior leadership positions and governance roles including as Chief Executive of Ōtākaro Limited, and at AECOM (including as industry director – civil infrastructure in Australia with responsibility for the company's involvement in several of Australia's largest infrastructure projects and as managing director for the New Zealand business), as well as governance roles on major infrastructure projects in New Zealand, Australia, Asia and the United Kingdom.

John chairs our Investment and Delivery Committee.



## Hon. Tracey Martin

Board member since 12 November 2021.

Hon Tracey Martin was the Minister for Children in the previous Government, as well as Minister for Seniors, Associate Minister of Education and Minister of Internal Affairs. She was a Member of Parliament for nine years between 2011 and 2020.

Tracey is currently the Chair of the New Zealand Qualifications Authority, and the former Chair of the Strong Public Media Business Case Governance Group and the Wellington Regional Leadership Committee.

Tracey is a member of our Investment and Delivery Committee and our Risk and Assurance Committee.



## Ngarimu Blair

Board member since 12 November 2021.

Ngarimu has strong Māori governance experience including leading the restructuring of the Ngāti Whātua Ōrākei Group into a modern post-settlement governance entity in 2012.

Ngarimu is currently a director of Kāinga Ora, Ngāti Whātua Ōrākei Whai Rawa Limited, a large property company responsible for the protection and growth of the tribe's commercial assets, and co-chair of the Tāmaki Makaurau Mana Whenua Forum.

Ngarimu is a member of our People, Culture and Safety Committee and our Regulatory Committee.



## Nicole Rosie

Chief Executive

Nicole Rosie joined the Agency as Chief Executive in February 2020. She has been a Board member of Auckland Transport since 2020, is a founder and steering committee member of the Construction Accord and represents the Agency on a range of governance groups.

Prior to her appointment, Nicole was the Chief Executive of Worksafe for three years. She has more than two decades of senior executive experience across the public and private sectors. This includes executive team level positions in Fletcher Challenge Forests, Toll NZ (now Kiwi Rail), Vector and Fonterra.

She has significant experience in leading transformative change at national, sector and organisational level and deep experience in working between the public and private sector to get outcomes.

Nicole holds a MPH from Harvard University in the USA, which she attended as a Fulbright scholar, a LLM (Hons) from Auckland University and a LLB(Hons)/BA from Otago University.



## Brent Alderton

Group General Manager Regulatory and Director of Land Transport

Brent joined the Agency in September 2023 as Group General Manager Regulatory and Director of Land Transport.

Brent is a senior regulator with a strong commercial background. He has practical experience in establishing and successfully operating regulator regimes, and has been deeply involved in all facets of regulation.

Key areas of responsibility:

- Director Land Transport statutory responsibilities
- Regulatory operational policy, processes, procedures and standards setting
- Regulatory risk and intelligence
- Managing service performance monitoring and compliance for regulated parties in the land transport system.
- Road user charges regulation



## Chris Bunny

Group General Manager System Leadership

Chris joined the Agency as Group General Manager System Leadership in March 2023. Prior to this, he spent several years as a Deputy Secretary at MBIE in roles mainly relating to infrastructure, resources and markets. Earlier in his career Chris worked at both the NZ and the UK Treasuries. His time in the UK Treasury involved procurement of significant infrastructure projects using the Public Private Partnership (PPP) model.

Key areas of responsibility:

- Setting and maintaining strategic direction
- Strategic Crown Māori partnerships
- Policy and system planning functions
- Developing medium and long-term plans
- System wide investment planning



### Karen Jones

#### Group General Manager Engagement and Partnerships

Karen joined the Agency in March 2020. Before joining the Agency, she was Deputy Director General People and Engagement at the Department of Conservation where she led the human resources, organisational development, health and safety, security, customer engagement and office of the executive teams.

Karen's other previous roles include a secondment to the Department of Prime Minister and Cabinet as Executive Director Strategy, Governance and Engagement and more than five years working in the executive team at NZ Police as Deputy Chief Executive Public Affairs.

#### Key areas of responsibility:

- Education and marketing
- Regional relationships
- Government relationships
- Communications, engagement and media



### Sarina Pratley

#### Chief Customer and Services Officer

Sarina joined the Agency in March 2023 as Chief Customer and Services Officer. Sarina has extensive expertise in contact centre strategy and operations and has previously worked as the General Manager ANZ Contact Centre, where she was responsible for managing 20 million customer interactions annually across multiple channels and lead one of New Zealand's largest contact centres (more than 1,000 people).

#### Key areas of responsibility:

- Manage and deliver contact centre services
- Manage our network of agents who provide services on our behalf
- Manage licensing approvals and other regulatory customer transactions
- Manage RUC debt collection, and refunds and rebates



### Richard May

#### Chief of Staff

Richard joined the Agency in May 2018 and has served as Senior Manager Government and Deputy General Manager. He was appointed as Chief of Staff in August 2021, and works closely with our Board, Chief Executive and Executive Leadership Team to guide the strategic priorities and partnerships of the Agency.

Prior to joining the Agency, Richard built up extensive experience in the New Zealand Parliament, spending 12 years in various roles including as a Senior Ministerial Advisor to the Minister of Transport and Defence and as Chief of Staff to a government support partner.

#### Key areas of responsibility:

- Relationships and engagements with government, political parties and elected officials
- Provision of advice to the Board, Chief Executive and Executive Leadership Team



### Brett Gliddon

#### Group General Manager Transport Services

Brett joined Transit New Zealand before it merged with Land Transport NZ to become the Agency. He is a qualified civil engineer with more than 18 years' experience in infrastructure planning, design and delivery, including maintenance and operations.

#### Key areas of responsibility:

- Design and delivery of transport network improvements
- Operation of the land transport network
- Maintenance of the land transport network
- Operational standards and guidelines for the Agency and the sector
- Road controlling authority for the state highway network



### Sara Lindsay

#### Group General Manager Commercial and Corporate

Sara joined the Agency in January 2023 as Group General Manager Commercial and Corporate.

Sara is the former Chief Financial Officer for the Wellington City Council. Before that Sara was the Head of Financial Transformation for Auckland City Council and Head of Financial Transactions. Sara also held the General Manager Procurement role at Auckland City Council and General Manager of Corporate Services at MBIE.

#### Key areas of responsibility:

- Business and budget planning
- Financial, investment and assurance services
- Legal, governance, risk and assurance
- Programme management and corporate property



### Liz Maguire

#### Chief Digital Officer

Liz joined the Agency in October 2021 as Chief Digital Officer. Liz was the former Head of Digital and Transformation at ANZ Bank in New Zealand and was a member of ANZ NZ's executive leadership team for four years.

#### Key areas of responsibility:

- Digital operations, performance and delivery
- Digital security services
- Enterprise architecture
- Digital, commercial and vendor management

### Group General Manager

#### People and Safety

Appointee commences February 2024

#### Areas of responsibility:

- Health, safety and wellbeing
- Payroll and employment relations
- Learning and development
- Leadership and capability



